

Department of Public Health  
and Human Services

Section:  
CASELOAD MANAGEMENT

FOOD STAMP PROGRAM

Subject:  
Under Issuance

**Supersedes:** FS 1504-2 (10/01/05)

**References:** 7 CFR 273.17; 7 CFR 273.18(b)(2)

GENERAL RULE - When it is determined additional benefits are owed to the household, the OPA Case Manager must take action to locate the household and restore/supplement benefits as appropriate.

A **restoration** is an additional benefit issued for a **past month** to compensate for an under issuance.

A **supplement** is an additional benefit issued for the **current month** to compensate for an under issuance.

#### **BENEFITS NOT SUPPLEMENTED/ RESTORED**

Benefits are not restored or supplemented to households for unreported changes. The only actions required for household-caused under issuance errors are to correct the case for future months, document using TEAMS case notes, and send appropriate notices.

If Program Compliance establishes a household-caused under issuance error, the OPA Case Manager should not adjust the month of review, but instead update the case for future months, and document the Program Compliance review findings using TEAMS case notes.

**NOTE:** Due to differing requirements, it cannot be assumed the amount of under issuance determined by Program Compliance is the amount for restoration.

#### **OFFSETTING CLAIMS**

In cases when an initial allotment is received within 60 days of the date the application is filed and is paid retroactive to the date of the application; the allotment cannot be reduced to offset prior claims. TEAMS is currently programmed to meet this requirement by not offsetting initial allotments.

If an over issuance claim has not yet been established and there is also an under issuance that needs to be authorized, both actions must be taken on OVCA (Overpayment/Claim Authorization) and UNAU (Underpayment Authorization) screens.

If there is an open over issuance claim for months prior to the under issuance month, the **entire restoration** will be applied to the oldest

outstanding claim up to the total amount needed to satisfy the overpayment claim.

**NOTE:** TEAMS is not programmed to recoup under issuances when correcting a case due to an agency-caused error, and some months result in over issuances and some months result in under issuances. **The OPA Case Manager must wait 10 days after sending the notice on the over issuance claim to authorize the under issuance, so the under issuance will be recouped to offset the over issuance.**

If a household is entitled to a supplement and there is an open over issuance claim for months prior to the under issuance month, the amount recouped will be **\$10.00 or 10% of the supplement, whichever is greater**, up to the outstanding over issuance amount. Households determined to have committed an IPV must have an allotment reduction of \$20.00 or 20% whichever is greater.

#### CAUSE OF RESTORATION

Benefits are restored for an under issuance if the cause of the under issuance meets one of the following:

1. The loss was caused by the agency (including agency-caused error or TEAMS error);
2. An administrative disqualification for intentional program violation is reversed; or,
3. The federal regulations specifically state that a household is entitled to a restoration for lost benefits.

#### TIME LIMITS FOR RESTORING BENEFITS

Benefits must be restored if the loss occurred no more than 12 months from the most recent of the following events:

1. The date the household, another person or agency notifies the OPA of the possible loss to that specific household. The notification to the OPA can be oral or written.
2. The date the OPA is notified or otherwise discovers that a loss to a specific household has occurred.
3. Benefits were found by any judicial action to have been wrongfully withheld. If the judicial action is the first action the recipient took to receive restored benefits, they shall be restored for no more than 12 months from the date the court action was initiated.

If the judicial action is a review of an action taken by the OPA, benefits are restored for a period of no more than 12 months from whichever of the following dates occurred first:

- a. The date the OPA receives the request for restoration; or,
- b. If no request is received, the date the fair hearing action was initiated.

The Underpayment Authorization screen (UNAU) is used to document and record the amount of benefits to be restored/supplemented. A supervisor is required to authorize the UNAU screen when the month the OPA Case Manager is trying to authorize is more than three months ago based on the day the OPA Case Manager accesses UNAU. The OPA Case Manager must send proper notice to the household whenever restored/supplemental benefits are denied or approved (F811 or F810).

#### COMPUTING BENEFITS TO BE RESTORED

A household is entitled to restored benefits even if it is not currently receiving food stamps. Restore benefits only in those months that the household actually received food stamps not to exceed 12 months.

**EXCEPTION:** Restored benefits may be issued for months a household was not actually receiving food stamps if the household was incorrectly denied.

If, due to an agency-caused error, an eligible **household's application was denied** or the OPA Case Manager **delayed benefits** to an eligible household, the month of the application is considered the first month the loss occurred. The OPA Case Manager must provide benefits retroactive to the date of application.

If an eligible household made **timely application for continued benefits** and was not provided an opportunity to participate in the month following the expiration of its certification period, the month following the end of the certification period is considered the first month the loss occurred.

If a household's benefits were **erroneously terminated**, the first month that benefits were not received as a result of the erroneous action is considered the month the loss initially occurred.

After determining the date the loss initially occurred, the loss is calculated for each month after the initial month until either:

1. The first month the error is corrected;
2. The first month the household is found ineligible; or,

3. The first month the household reapplied.

**Example 1:** A household receives fewer benefits than entitled beginning in January, and the error is corrected for April issuance. If otherwise eligible, the household is due restored benefits for January, February and March.

**Example 2:** A household was erroneously denied in January, reapplied July 1st, and was certified. Even though the household did not request assistance for February through May, eligibility must be determined for these months. Lost benefits would be considered for January through June.

**Example 3:** A household was erroneously denied in January, reapplied July 1st, and was certified. Even though the household did not request assistance for February through May, eligibility must be determined for these months. Lost benefits would be considered for January through June.

The household was ineligible for March although eligible for the other months. The lost benefits are restored only for January and February because the restoration stops at the first month the household is ineligible.

Occasionally the **household composition changes** from the time the error occurred and the time the restoration is issued, (e.g., household splits into two different food stamp cases). When this occurs, the under issuance is calculated using the facts of the household situation and composition at the time the underpayment occurred. Benefits are restored to the food stamp household containing the majority of the original household members at the time the error occurred.

**NOTE:** If the household with the majority of members cannot be identified, located or determined, benefits will be restored to the household containing the Primary Information person at the time the error occurred. This would also occur when the number of original household members is exactly the same.

**Example 1:** Mom and Dad and three children are receiving food stamps. An under issuance for past months is discovered due to the OPA Case Manager making a math error when prospectively budgeting income.

Mom and dad separate; mom takes two children and dad takes one child. Restored benefits are issued to mom as her

household contains the majority of original participants at the time of the under issuance.

**Example 2:** Mom and Dad and two children are receiving food stamps. An under issuance for past months is discovered due to the OPA Case Manager making a math error when prospectively budgeting income.

Mom and dad separate, and each take one child. Restored benefits are issued to dad since he was the PI (head of household) at the time of the under issuance.

If an **Intentional Program Violation (IPV) is reversed**, the household is entitled to lost benefits during the months the individual was disqualified, not to exceed 12 months before the date of OPA notification.

The amount restored is determined by comparing the benefit the household received with the benefit the household would have received had the disqualified member been eligible for each month the individual was disqualified, not to exceed 12-month limit.

► HHS QAD CLAIMS must be emailed to delete the claim and put the claim in no recovery status. The OPA Case Manager restores the benefits and must email HHS QAD CLAIMS when the benefits are restored.

Household participation in an administrative disqualification hearing in which the household contests the OPA's assertion of IPV shall be considered notification that the household is requesting restored benefits.

Individuals are not entitled to restored benefits while disqualified solely because a criminal conviction is not obtained, unless they also successfully challenge the disqualification imposed by the administrative hearing decision in a separate court action.

#### ►CORRECTIONS ACCORDING TO REPORTING REQUIREMENTS

The first month of overpayment/underpayment is determined according to the reporting requirements the household was given for household and agency caused errors. If an under issuance occurs and the household is a **change reporting household**, the correction is made using the actual circumstance that caused the under issuance.

**Example 1:** A change reporting household was certified in April using the gross amount of SSI income. A review of the case in July finds the net SSI income is the correct income because SSA was recouping \$50.00 for SSI overpayment causing under issued benefits.

The OPA Case Manager corrects the case in July after TEAMS cut off day using the net amount of SSI income. Benefits are restored for April, May, June, July, and a supplement is issued for August benefits.

**Example 2:** The medical expense deduction was incorrectly determined for household member at recertification for December benefits. A review of the case in March finds the error causing under issued benefits.

The OPA Case Manager corrects the case in April before TEAMS cut off by determining the correct medical expense deduction for May. Actual medical bills for December, January, February, March and April are needed to determine under issuance. If an under issuance occurred, benefits are restored using actual medical expenses for December, January, February, March, and April benefits for the months an under issuance occurred.

If an under issuance occurs and the household is a **six month reporting household**, the amount of the under issuance is based on the corrected circumstances that should have been used at certification, six month report period, recertification, or when a change was reported/discovered that required action.

**Example 1:** Earned income was incorrectly calculated at recertification for May benefits. A review of the case in August finds the error causing an under issuance. The OPA Case Manager corrects the case in September before TEAMS cut off by correcting the earned income using the income that should have been prospected at recertification. The OPA Case Manager corrects the case for October and restores benefits for May, June, July, August, and September.

**Example 2:** The medical expense deduction was incorrectly determined for a household member at recertification for December benefits. A review of the case in March finds the error causing an under issuance.

The OPA Case Manager corrects the case in April before TEAMS cut off by determining the correct medical expense deduction for December through May using the medical expense deduction had it been determined correctly at recertification for December benefits.

**DISPUTED  
BENEFITS**

If the household does not agree with the amount or any other action taken by the OPA Case Manager to pay lost benefits, the household may request a fair hearing within 90 days of the date of the notification of entitlement to the benefits. If a fair hearing is requested before or during the time the lost benefits are being issued, the household will continue to receive the under issued benefits as determined by the OPA Case Manager pending the fair hearing decision. If the fair hearing decision is favorable to the household, the OPA Case Manager will restore benefits in accordance with that decision.

In addition, if a household believes it is entitled to under issued benefits, but the OPA Case Manager does not agree, the household may request a fair hearing on that issue. The OPA Case Manager should document on TEAMS case notes requests for under issued benefits, including justification for the OPA Case Manager's decision and date of the decision. Households should receive a TEAMS notice of the OPA Case Manager's decision (F810 'Restored/Supplemental benefits' or F811 'Restoration/ Supplement Denied').

**SYSTEM-  
CALCULATED  
UNDER ISSUANCE**

Whenever possible, TEAMS is used to calculate the under issuance.

1. Print the EXAD screens for a record of the original budget; also, print the screens being changed before and after the change.
2. Input new data to re-calculate benefits and follow the screen flow through all resource, income, expense, and allotment determination screens. The OPA Case Manager must press 'Enter' on the EXAD determination screen in order to update the database with the re-calculated amounts. Make the required changes to the case for each month for which too little benefits were issued.

3. To set up the food stamp under issuance, NEXT to the SEOU menu (Setup Over- and Under Issuances). On SEOU, input the case number, benefit month, program type of FS, and select UNAUI.

UNAUI displays case information as well as the error month(s) and under issuance amount(s) for all recalculated months.

4. Input the action code of 'C' (Change), error cause code of 'AP', (Agency Problem), the OPA Case Manager's password in the Underpayment Authorization field, and press 'Enter'.
5. Document the actions taken on the case using case notes.

The total payment amount will display. This may be less than the amount authorized if an outstanding overpayment claim exists for the case shown in the Recoup/Offset field. TEAMS will issue the allotment through the Daily Issuance process, and will be recorded on the FSIH (Food Stamp Issuance History screen).

**MANUALLY-  
CALCULATED  
UNDER ISSUANCE**

The OPA Case Manager may also manually enter an under issuance in specific situations when the TEAMS cannot calculate it.

1. Determine the under issued amounts by using form FA 52, 'Food Stamp Computation Worksheet'.
2. Next to SEOU and select UNAU.
3. Input an action code of 'A' (Add), the error month, the under issuance amount, and an error cause code of 'AP' (Agency Problem).

**NOTE:** An error cause code of 'CP' (Client Problem) is not accepted for the Food Stamp Program.

The OPA Case Manager must enter his/her password in the Underpayment Authorization filed and press 'Enter'.

4. Document actions taken on the case using case notes.

The Payment Amount will display. This may be less than the amount authorized if there are any outstanding overpayments for the case shown in the Recoup/Offset field. TEAMS will issue the allotment through the Daily Issuance process, and will be recorded on the FSIH (Food Stamp Issuance History screen).

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